

State of Arizona
House of Representatives
Forty-seventh Legislature
First Regular Session
2005

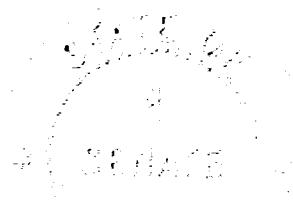
CHAPTER 131

HOUSE BILL 2252

AN ACT

AMENDING SECTIONS 42-16252, 42-16254 AND 42-17153, ARIZONA REVISED STATUTES;
AMENDING TITLE 42, CHAPTER 18, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING
SECTION 42-18005; AMENDING SECTIONS 42-18051, 42-18202 AND 42-18208, ARIZONA
REVISED STATUTES; RELATING TO PROPERTY TAXES.

(TEXT OF BILL BEGINS ON NEXT PAGE)



Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 42-16252, Arizona Revised Statutes, is amended to read:

42-16252. Notice of error; response; petition for review; appeal

A. Subject to the limitations and conditions prescribed by this article, if a county assessor or the department determines that any real or personal property has been assessed improperly as a result of a property tax error, the county assessor or department shall send the taxpayer a notice of error at the taxpayer's last known address by:

1. Certified mail, return receipt requested, if correction of the error results in an increase in the valuation of the property.

2. First class mail or, at the taxpayer's written request, delivered DELIVERY by common carrier or ~~transmitted electronically~~ ELECTRONIC TRANSMITTAL, if correction of the error does not result in an increase in the valuation of the property.

B. The notice shall:

1. Be in a form prescribed by the department.

2. Clearly identify the subject property by tax parcel number or tax roll number and the year or years for which the correction is proposed.

3. Explain the error, the reasons for the error and the proposed correction of the error.

4. Inform the taxpayer of the procedure and deadlines for appealing all or part of the proposed determination before the tax roll is corrected.

C. Within thirty days after receiving a notice of error the taxpayer may file a written response to the taxing authority that sent the notice to either consent to or dispute the proposed correction of the error and to state the grounds for disputing the correction. A failure to file a written response within thirty days constitutes consent to the proposed correction unless a request for an extension of time is made within thirty days after receiving the notice of error. If an extension is granted, any response that is not filed within the extended due date constitutes consent to the proposed correction.

D. If an owner of real property consents to the proposed correction, or consents to the correction but disputes the proposed valuation as provided on the form prescribed by the department, the tax roll shall be promptly corrected to allow property taxes to be levied and collected in all subsequent tax years, but no additional tax, interest or penalty may be imposed for the current tax year or any tax year preceding the date of the notice of error. If an owner of real property disputes the proposed correction and a court determines, after an appeal pursuant to subsection G, that an error occurred, any taxes that are assessed pursuant to this subsection, including all cases involving personal property, are delinquent if not paid within sixty days after the date the supplemental billing is mailed to the taxpayer. If taxes have been overpaid, they shall be refunded

1 with interest ~~as provided by law~~ AT THE RATE DETERMINED PURSUANT TO SECTION
2 42-1123 within ninety days after the roll is corrected. The owner may appeal
3 valuation issues that arise from the correction as provided in this section.

4 E. If requested, the assessor or department shall meet with the
5 taxpayer or the taxpayer's representative in any case in which the taxpayer
6 has timely filed a written response disputing the proposed correction.

7 F. If the parties fail to agree on all or part of the proposed
8 correction, the department or assessor shall serve a notice on the taxpayer
9 by certified mail advising the taxpayer that the error will be corrected
10 within forty-five days unless the taxpayer files a petition on a form
11 prescribed by the department with the county board of equalization, if one is
12 established in the county, or, if one is not established in the county, with
13 the state board of equalization. The department or assessor shall include a
14 petition form with the notice and an explanation of the appeals
15 procedure. The petition must be filed with the county board or the state
16 board within thirty days after the notice prescribed by this subsection is
17 mailed, or it is barred. On receiving the petition, the board shall hold a
18 hearing on the proposed correction within thirty days and shall issue a
19 written decision pursuant to the board's rules.

20 G. A party that is dissatisfied with the decision of the county board
21 or state board may appeal the decision to court within sixty days after the
22 date the board's decision is mailed, but any additional taxes that are
23 determined to be due must be timely paid before delinquency for the court to
24 retain jurisdiction of the matter.

25 Sec. 2. Section 42-16254, Arizona Revised Statutes, is amended to
26 read:

27 42-16254. Notice of claim; response; petition for review;
28 appeal; definition

29 A. If a taxpayer believes that the taxpayer's property has been
30 assessed improperly as a result of a property tax error, the taxpayer shall
31 file a notice of claim with the appropriate tax officer, either personally or
32 by certified mail, as follows:

33 1. If the alleged error concerns the valuation or classification of
34 property by the county assessor, the notice shall be filed with the assessor.
35 On receiving the notice, the assessor shall immediately transmit a copy to
36 the department.

37 2. If the alleged error concerns the valuation or classification of
38 property by the department, the notice shall be filed with the department.

39 3. If the alleged error concerns the imposition of any tax rate, the
40 notice shall be filed with the county board of supervisors. The clerk of the
41 board of supervisors shall notify each affected taxing entity to allow the
42 entity to file a response to the claim.

43 B. The notice shall:

44 1. Be in a form prescribed by the department.

1 2. Clearly identify the subject property by tax parcel number or tax
2 roll number and the year or years for which the correction is proposed.

3 3. State the claim and the evidence to support the claim for
4 correcting the alleged error.

5 C. Within sixty days after receiving a notice of claim, the tax
6 officer may file a written response to the taxpayer to either consent to or
7 dispute the error and to state the grounds for disputing the error. A
8 failure to file a written response within sixty days constitutes consent to
9 the error, and the board of supervisors shall direct the county treasurer to
10 correct the tax roll on the taxpayer's written demand supported by proof of
11 the date of the notice of claim and the tax officer's failure to timely
12 dispute the error.

13 D. If the tax officer disputes the error, the tax officer shall notify
14 the taxpayer of a time and place for a meeting between a representative of
15 the tax officer and the taxpayer or the taxpayer's representative to discuss
16 the basis for the dispute.

17 E. If, after the meeting, the parties agree on all or part of the
18 proposed correction, the board of supervisors shall direct the county
19 treasurer to correct the tax roll to the extent agreed, and any taxes that
20 have been overpaid shall be refunded with interest ~~as provided by law~~ AT THE
21 RATE DETERMINED PURSUANT TO SECTION 42-1123 within ninety days after the roll
22 is corrected or pursuant to section 42-16214, subsection A. If the taxpayer
23 owes additional taxes, they shall be assessed by supplemental billing to the
24 taxpayer plus interest as provided by law. Any taxes assessed pursuant to
25 this subsection are delinquent if not paid within sixty days after the date
26 the supplemental billing is mailed to the taxpayer.

27 F. If the parties fail to agree on all or part of the proposed
28 correction, the taxpayer may file a petition with the county board of
29 equalization, if one is established in the county, or, if one is not
30 established in the county, with the state board of equalization on a form
31 prescribed by the department and shall send a copy to the tax officer by
32 certified mail. The petition must be filed with the county board or state
33 board within one hundred fifty days after the notice of claim is filed or it
34 is barred. On receiving the petition, the appropriate board shall hold a
35 hearing on the proposed correction within thirty days and shall issue a
36 written decision pursuant to the board's rules.

37 G. A party that is dissatisfied with the decision of the county board
38 or state board may appeal the decision to court within sixty days after the
39 date the board's decision is mailed, but any additional taxes that are
40 determined to be due must be timely paid before delinquency for the court to
41 retain jurisdiction of the matter. In addition, in order for a taxpayer to
42 recover a refund for taxes paid in a preceding tax year as a result of an
43 error, all taxes that were levied and assessed against the property for the
44 tax year must be paid before delinquency in order for the court to retain
45 jurisdiction of the matter.

1 H. For THE purposes of this section, "tax officer" means the
2 department, county assessor or county board of supervisors, whichever is
3 appropriate under the circumstances described in subsection A, paragraph 1, 2
4 or 3 of this section.

5 Sec. 3. Section 42-17153, Arizona Revised Statutes, is amended to
6 read:

7 42-17153. Lien for taxes; time lien attaches; priority

8 A. Except as provided in subsection B of this section, a tax that is
9 levied on real or personal property is a lien on the assessed property.

10 B. A tax that is levied against personal property of a person who owns
11 real property of a value of less than two hundred dollars in the county is a
12 personal liability of the property owner, in addition to being a lien against
13 the property.

14 C. The lien:

15 1. Attaches on January 1 of the tax year.

16 2. Is not satisfied or removed until one of the following occurs:

17 (a) The taxes, penalties, charges and interest are paid.

18 (b) Title to the property has finally vested in a purchaser under a
19 sale for taxes.

20 (c) A certificate of removal and abatement has been issued pursuant to
21 section 42-18353.

22 3. Is prior and superior to all other liens and encumbrances on the
23 property, except:

24 (a) Liens or encumbrances held by this state.

25 (b) Liens for taxes accruing in any other years.

26 D. FOR TAXPAYERS VALUED BY THE DEPARTMENT PURSUANT TO SECTION
27 42-14151, THE LIEN SHALL ATTACH TO ALL PROPERTY, REAL AND PERSONAL,
28 REGARDLESS OF THE TAXING JURISDICTION WHERE SUCH PROPERTY IS LOCATED. SUCH
29 LIEN WILL ATTACH TO THE ENTIRE SYSTEM AND MAY NOT BE RELEASED BY PAYMENT OF A
30 PORTION OF THE TAX LIABILITY RELATING TO A SINGLE PORTION OR COMPONENT OF THE
31 SYSTEM.

32 ~~D.~~ E. If a political subdivision of this state acquires title to
33 property after December 31, 1998, any lien for delinquent taxes on the
34 property:

35 1. Is not abated, extinguished, discharged or merged in the title to
36 the property unless approved by the county board of supervisors.

37 2. Is enforceable in the same manner as other delinquent tax liens.

38 Sec. 4. (Title 42, chapter 18, article 1, Arizona Revised Statutes, is
39 amended by adding section 42-18005, to read:

40 42-18005. Property tax collection; liens assigned to state

41 THE COUNTY TREASURER OR BOARD OF SUPERVISORS, AS APPLICABLE, MAY ACT AS
42 THE AGENT FOR THE STATE FOR THE COLLECTION OF PROPERTY TAXES UNDER THIS
43 CHAPTER WITH RESPECT TO ANY TAX LIENS THAT ARE ASSIGNED TO THE STATE OR ANY
44 PROPERTY THAT IS HELD BY THE STATE.

1 Sec. 5. Section 42-18051, Arizona Revised Statutes, is amended to
2 read:

3 42-18051. Notice of tax; payment by electronic funds transfer

4 A. Immediately on receiving the tax roll from the county board of
5 supervisors, the county treasurer shall publish an official notice stating:

6 1. That the assessment and tax roll is now in the treasurer's
7 possession for collecting the taxes levied.

8 2. That the taxes on real property and personal property are due and
9 payable and become delinquent at the dates and times prescribed by section
10 42-18052, and interest will be added to the tax from the time of the
11 delinquency as prescribed by section 42-18053, unless either:

12 (a) The first half of the taxes are paid before they are delinquent.

13 (b) The full year tax is paid on or before December 31, as provided by
14 section 42-18053.

15 3. That all taxes may be paid at the time the first installment is due
16 and payable.

17 4. When and where tax payments may be made.

18 B. The county treasurer shall publish the notice once a week for four
19 consecutive weeks in a newspaper of general circulation in the county.

20 C. No other demand for taxes is necessary.

21 D. Each person who is subject to taxation shall pay the taxes at the
22 county treasurer's office, or at any other location designated by the
23 treasurer, before they become delinquent.

24 E. The county treasurer may require electronic transmission of
25 supporting documentation AND PAYMENT that includes the name of the taxpayer,
26 tax parcel number and amount of tax, on or before the dates prescribed by
27 section 42-18052, by any person or entity, acting on behalf of multiple
28 owners of property who submit tax payments to the county treasurer in a lump
29 sum exceeding ~~twenty-five~~ FIFTY thousand dollars. If the sum of funds
30 submitted fails to balance with the tax parcel information and supporting
31 documentation submitted electronically, and there have been no changes to the
32 tax bills as a result of assessor resolutions or tax court judgments, the
33 funds shall not be accepted and the treasurer shall return the funds and
34 request that the correct amount be submitted. If any payment is received
35 after a delinquent date as prescribed in section 42-18052, interest accrues
36 as prescribed by section 42-18053.

37 Sec. 6. Section 42-18202, Arizona Revised Statutes, is amended to
38 read:

39 42-18202. Notice

40 A. At least thirty days before filing an action to foreclose the right
41 to redeem under this article, but not more than one hundred eighty days
42 before such an action IS COMMENCED OR may be commenced under section 42-18101
43 the purchaser shall send notice of intent to file the foreclosure action by
44 certified mail to:

1 1. The property owner of record according to the records of the county
2 recorder in the county in which the property is located or to all of the
3 following:

4 (a) The property owner according to the records of the county assessor
5 in the county in which the property is located as determined by section
6 42-13051.

7 (b) The situs address of the property, if shown on the tax roll and if
8 different from the owner's address under subdivision (a).

9 (c) The tax bill mailing address according to the records of the
10 county treasurer in the county in which the property is located, if that
11 address is different from the addresses under subdivisions (a) and (b).

12 2. The treasurer of the county in which the real property is located.

13 B. The notice shall include:

14 1. The property owner's name.

15 2. The real property tax parcel identification number.

16 3. The legal description of the real property.

17 4. The certificate of purchase number.

18 5. The proposed date of filing the action.

19 C. IF THE PURCHASER FAILS TO SEND THE NOTICE REQUIRED BY THIS SECTION,
20 THE PURCHASER IS CONSIDERED TO HAVE SUBSTANTIALLY FAILED TO COMPLY WITH THIS
21 SECTION. A COURT SHALL NOT ENTER ANY ACTION TO FORECLOSE THE RIGHT TO REDEEM
22 UNDER THIS ARTICLE UNTIL THE PURCHASER SENDS THE NOTICE REQUIRED BY THIS
23 SECTION.

24 Sec. 7. Section 42-18208, Arizona Revised Statutes, is amended to
25 read:

26 42-18208. Expiration of lien and certificate; notice

27 A. If a tax lien that was purchased PURSUANT TO SECTION 42-18114 on or
28 before August 31, 2002 is not redeemed and the purchaser or the purchaser's
29 heirs or assigns fail to commence an action to foreclose the right of
30 redemption on or before ten years from the date that the lien was purchased,
31 the certificate of purchase or registered certificate expires and the lien is
32 void.

33 B. At least six months before the certificate of purchase or
34 registered certificate expires, the county treasurer shall:

35 1. Notify each purchaser by certified mail of the pending expiration.

36 2. Post the names of purchasers who hold liens that are subject to
37 pending expiration:

38 (a) Near the outer door of the office of the county treasurer.

39 (b) On the county treasurer's web site.

40 3. Publish the names of purchasers who hold liens that are subject to
41 pending expiration at least one time in a newspaper of general circulation in
42 the county.

1 C. Subsection A OF THIS SECTION does not apply if, ~~at the time of~~
2 ~~expiration, the parcel for which the tax lien was purchased is subject to a~~
3 ~~judicial proceeding~~ THE TAX LIEN IS ASSIGNED TO THE STATE PURSUANT TO SECTION
4 42-18113 UNLESS THE LIEN IS RESOLD PURSUANT TO SECTION 42-18122.

5 D. IF A JUDICIAL PROCEEDING PROHIBITS BRINGING AN ACTION TO FORECLOSE
6 THE RIGHT TO REDEEM, THE TIME OF EXPIRATION UNDER THIS SECTION SHALL BE
7 EXTENDED BY TWELVE MONTHS FOLLOWING THE COMPLETION OF THE JUDICIAL
8 PROCEEDING.

9 Sec. 8. Delinquent property taxes; county treasurer; amnesty

10 For taxpayers who are valued by the department of revenue pursuant to
11 section 42-14151, Arizona Revised Statutes, and who are delinquent in the
12 payment of their property tax for periods before September 30, 1995, the
13 county treasurer may waive accrued interest on the delinquencies before
14 September 30, 1995 if the taxpayer pays the principal amount of the tax
15 liability for that period and pays any tax, penalty or interest accruing
16 after September 30, 1995, provided that payment of all delinquencies are made
17 on or before December 31, 2005.

18 Sec. 9. Intent

19 Section 42-18005, Arizona Revised Statutes, as added by this act, and
20 sections 42-17153 and 42-18208, Arizona Revised Statutes, as amended by this
21 act, are intended to clarify existing law.

22 Sec. 10. Nonseverability

23 If any portion of this act is finally adjudicated invalid, the entire
24 act is void.

APPROVED BY THE GOVERNOR APRIL 18, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2005.

Passed the House March 7, 2005

Passed the Senate April 7, 2005

by the following vote: 54 Ayes,

by the following vote: 29 Ayes,

1 Nays, 5 Not Voting

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

H.B. 2252

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 12, 2005,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting



Speaker of the House
Pro Tempore




Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13th day of April, 2005

at 12:00 o'clock P. M.

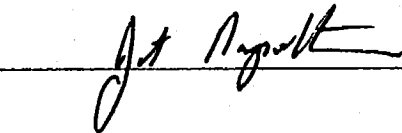


Secretary to the Governor

Approved this 18 day of

April, 2005,

at 1:50 o'clock P. M.



Governor of Arizona

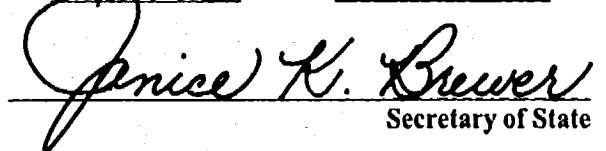
H.B. 2252

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 18 day of April, 2005,

at 4:42 o'clock P. M.



Secretary of State